

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11
(Subchapter V)

JAG SPECIALTY FOODS LLC,

Case No.: 24-40782-ess

Debtor.
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**DECLARATION OF GREGG DESANTIS UNDER LOCAL
RULE 1007-4 IN CONNECTION WITH CHAPTER 11 FILING**

GREGG DESANTIS declares under penalty of perjury pursuant to 28 U.S.C. § 1746 as follows:

1. I am the Vice President, Operations and a member of JAG Specialty Foods LLC (“JAG,” “we,” the “Company” or the “Debtor”), the above-captioned debtor and debtor in possession.

2. On February 22, 2024 (the “Petition Date”) the Debtor filed a voluntary petition for relief under subchapter v of chapter 11, title 11, United States Code (the “Bankruptcy Code”) with the United States Bankruptcy Court for the Eastern District of New York (the “Court”).

3. I submit this declaration under Rules 1007-4 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Eastern District of New York, in support of the Debtor’s voluntary petition for relief under subchapter v of chapter 11 of the Bankruptcy Code.

Debtor’s Business and Operations

4. The Company is a privately owned limited liability company organized under the laws of the State of New York.

5. The Company is a quality baker of food products for food service providers across multiple industries, which includes the manufacturing, marketing and sales of breadsticks for the Angonoa™ brand as well as some private label brands. The Company currently operates out of

a manufacturing facility located at 115-05 15th Avenue, College Point, NY 11356 (the “Facility”) which the Company leases from Col Point Center Owner, LLC (the “Landlord”). The Debtor also has a small distribution center in Ronkonkoma, NY which is leased under an oral month-to-month agreement. The Facility includes a substantial amount of manufacturing equipment (the “Manufacturing Equipment”) and other furniture, fixtured and equipment utilized in the Company’s business operations.

Reasons for Filing

6. This filing is a direct result of, among other things, the Landlord obtaining a judgment of possession in late 2023, with, upon information and belief, a warrant of eviction in the process of being issued, but not yet enforced against the Debtor. The Company is still in possession of the Facility. Moreover, two of the Company’s largest purchasers recently decided to stop carrying the Company’s products, which led to a substantial decrease in the Company’s revenues and negatively impacted its ability to pay certain of its operating expenses.

Assets and Liabilities¹

Assets

7. As of the Petition Date, the Debtor’s assets are generally comprised of (i) the Manufacturing Equipment; (ii) the Angonoa™ brand; (iii) bank account; (iv) raw materials; (v) inventory of packaged goods ready for sale; (vi) accounts receivable; (vii) office furniture; and (viii) computers. The Debtor’s books and records are located at the Facility.

¹ The information presented herein is for informational purposes, with the Debtor reserving all of its rights, claims and defenses in and to any and all of its assets and any and all of its liabilities, which the Debtor continues to evaluate on an ongoing basis.

8. All assets are currently encumbered by security interests in favor of several merchant advance companies and the Small Business Administration (collectively, the “Secured Claims”), each of which has filed UCC-1 financing statements with the State of New York.

9. At this time, no property of the Debtor is in the possession or custody and control of any public officer, receiver, trustee or assignee for the benefit of creditors.

Liabilities

10. As of the Petition Date, the Debtor’s non-contingent, liquidated liabilities were approximately \$1,853,401. Those are comprised of (i) the Secured Claims; (ii) the Landlord rent claim; (iii) employee wages; (iv) withholding taxes; (v) credit card debt; (vi) trade debt; and (vii) loans by members to the Company.

11. As of the Petition Date, the Debtor has 20+/- employees, of which approximately 14 are members of Local 102, New York of the Bakery, Confectionary, Tobacco Workers & Grain Millers union. The members of the Company do not currently draw a salary and are not anticipated to draw a salary during the four (4) weeks of the case.

12. The Debtor’s primary operating expenses are rent, wages and payroll taxes, inventory purchases, shipping costs, insurance, taxes and legal fees.

Projected Four Week Revenues and Expenses

13. Anticipated revenues for the first four (4) weeks of the case should total approximately \$150,000.00.

14. The Debtor estimates that its general operating expenses for the first four (4) weeks of the case will total approximately \$90,000.00.

15. The Debtor believes that with the protection of this Court, it will be able to reorganize itself, address any claims which need to be challenged or resolved, and pay creditors

holding allowed claims through a feasible and confirmable plan under Chapter 11 of the Bankruptcy Code.

Dated: College Point, New York
February 22, 2024

/s/Gregg Desantis
Gregg Desantis, Vice President, Operations